

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

KARTHIKEYAN V. VEERA,	:	
	:	
Plaintiff,	:	Civil Action No. 10-cv-4191 (HB)
- against -	:	
	:	ORAL ARGUMENT REQUESTED
AMBAC FINANCIAL GROUP, INC., et al.,	:	
	:	
Defendants.	:	
	:	

DEFENDANTS' NOTICE OF MOTION AND MOTION TO DISMISS

PLEASE TAKE NOTICE that Defendants Ambac Financial Group, Inc., Ambac Plan Administrative Committee, Sean T. Leonard, Gregg L. Bienstock, Diana Adams, Robert Eisman, Timothy Stevens, and Anne Gill Kelly (collectively, "Defendants"), by and through their undersigned attorneys, pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, the Local Rules of the Southern District of New York and the Individual Rules of this Court and upon: (1) the accompanying Memorandum of Law in Support of this Motion; and (2) the Declaration of Jamie M. Kohen, and the exhibits attached thereto, will move this Court, before the Honorable Harold Baer, in the United States District Court for the Southern District of New York, at Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 23B, New York, NY 10007-1312, on a date and at a time to be designated by the Court, for an Order granting Defendants' Motion to dismiss.

MOTION

In his Complaint, Plaintiff brings claims on behalf of a purported class under the Employee Retirement Income Act of 1974, as amended ("ERISA"), 29 U.S.C. §1001 *et seq.* All

of the claims in the three-count Complaint are raised against Ambac Financial Group, Inc. (“Ambac” or the “Company”), certain of the Company’s current and former employees, and the Plan Administrative Committee of the Ambac Financial Group, Inc. Savings Incentive Plan (the “Plan”), which all are alleged to have been responsible for the Plan’s investment in Ambac common stock (“Ambac Stock”). Plaintiff alleges that Defendants breached their fiduciary duties under ERISA by not discovering and disclosing to Plan participants certain information on Ambac’s financial performance, and by permitting Plan participants to retain and invest additional Plan holdings in “artificially inflated” Ambac Stock. Defendants respectfully requests that the Court dismiss the Complaint in its entirety with prejudice, because all of Plaintiff’s claims fail as a matter of law.

Dated: August 17, 2010

Respectfully submitted,

MORGAN, LEWIS & BOCKIUS LLP

/s/ Jamie M. Kohen
Jamie M. Kohen (jk0273)
101 Park Avenue
New York, NY 10178-0060
Phone: (212)309-6343
Fax: (212)309-6001
Email: jkohen@morganlewis.com

Gregory C. Braden (admitted pro hac vice)
Christopher A. Weals (admitted pro hac vice)
1111 Pennsylvania Avenue NW
Washington, DC 20004
Phone: (202) 739-3000
Fax: (202) 739-3001
Email: gbraden@morganlewis.com
cweals@morganlewis.com

*Attorney for Defendants Ambac Financial Group,
Inc., Ambac Plan Administrative Committee, Sean
T. Leonard, Gregg L. Bienstock, Diana Adams,
Robert Eisman, Timothy Stevens, and Anne Gill
Kelly*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Notice of Motion and Motion to Dismiss has been filed and served by Notice of Electronic Filing pursuant to Rule 5(b)(2)(E), Federal Rules of Civil Procedure on this 17th day of August, 2010.

Stephen J. Fearon, Jr.
Caitlin Duffy
Garry T. Stevens, Jr.
32 East 57th Street, 12th Floor
New York, New York 10022

Attorneys for Plaintiff

/s/ Jamie M. Kohen
Jamie M. Kohen